

GAMBLING MADE POSSIBLE BY POLICE PROTECTION

Evidence From Legislative Investigations
and Other Sources as to Blackmail
Collected by the "System"

PARTNERSHIP between the police and the gamblers has been understood and recognized in every city where gambling has been conducted on a large scale. There is no doubt that if the police enforced the law all gambling houses would be closed right away in New York. While in many cases legal proof of this partnership and of graft has been lacking, it is written in the history of the city that many years ago when games of chance began to attract attention the big speculators were protected by the police and that the gambling small fry, unprotected, provided material for raids and prosecution.

Big gamblers in those days feared public opinion. Consequently they conducted their affairs quietly and sparingly, so that men of wealth felt themselves comparatively secure behind barred doors and darkened windows. High class gamblers, so called, monopolized the business then, and to gain entrance to their places required more than a formal introduction. A patron had to be equipped with plenty of money, else he was politely invited to go away.

To secure evidence against these places where fortunes were won and lost on the turn of a card was pronounced impossible by the police for the excellent reason that they said they could not get inside. In short, old time gambling, backed by such men as Charles Reed, James Kelly, David Tenney Pulsifer, Lucien Appleby, Phil Daly, Miles Farren, Peter De Lacy, Richard Canfield, Gus Abell, Joe Doyle, Big Jim Kennedy, Sam Emery and Dave Johnson, was managed so well that public outcry against the evil were few.

Yet in discussing those conditions veteran soldiers of fortune will not deny that police partnership was positively necessary. It was in the form of an agreement with captains to keep uniformed men away from gambling houses. It was not until the Lexow investigation in 1894 that alleged business relations between the police and lawbreakers were unmasked. At the time this legislative probe resulted in a tremendous sensation, yet it is a matter of record that, while many police officials were implicated, convictions were comparatively few, and reinstatements by the courts of police officers dismissed as a result of the investigation were numerous. No police official was indicted for protecting gamblers.

Inspector Max Schmittberger was a star witness of the Lexow investigation. Cross-examined by John W. Goff, now a Supreme Court Justice, and possibly advised by his wife to make a clean breast of it, Schmittberger unfolded police secrets that fairly amazed the public. Schmittberger, then a police captain, in

tained immunity, but for many years he experienced much trouble with Tammany politicians and the rank and file of the department. Finally he came out with flying colors. In 1906 Commissioner Bingham put him on trial for failing to suppress gambling houses in the Tenderloin district, but the charges were not substantiated. Three years later Gen. Bingham made him Chief Inspector, succeeding Moses Cortright, known as the Honest Cop.

Schmittberger therefore won out in spite of the fact that he was a confessed bribe taker and had "squealed" on his pals. He had been mixed up in a gambling scandal, yet he became a boss policeman, led police parades and soon came to be regarded as one of the most valuable officers in the department. Because his duties now appear to be of a clerical nature the gamblers feel that Schmittberger's actual police power is insignificant.

In connection with Schmittberger's testimony it may be interesting to note that about ten years later, or when the committee of five made its investigation, gambling houses were paying from \$150 to \$300 a month for protection. Now Jack Rose comes along and says that the big gambling houses have been paying as much as \$500 a month and the others from \$50 up.

Before the Lexow investigation was concluded Supt. Byrnes testified that he was worth fully \$350,000 in real estate, which he had accumulated through investments made for him by Commodore Vanderbilt, Jay Gould and George Gould.

Inspector W. W. McLaughlin testified that he had property worth \$65,175. His total salary from the time he was made a sergeant was \$26,100. McLaughlin's explanation of his accumulation of property to Inspector Goff was that he had conducted successful real estate transactions, that his wife had been in business for twenty years and that she had made a lot of money.

McLaughlin as a result of the probe was indicted on a charge of extortion—namely that he had extorted \$50 from a builder named Seagrist for allowing him to obstruct the streets. He was tried twice. The first time the jury disagreed, but he was convicted the second time. He was thrown into the Tombs and dismissed from the department.

The Court of Appeals reversed the conviction and McLaughlin was reinstated and became a deputy chief. His trial cost the county about \$50,000, while it was said that McLaughlin paid out more than that sum to lawyers to regain his freedom. After taking charge of the Detective Bureau he retired in 1907 at



A Fool and his Money

Rosenthal's Murder Followed the Invasion
of Rich Territory by "Shoestring"
Gamblers of the East Side

These records show that only a few policemen have been in trouble for failure to enforce the laws and for collecting bribes. After the probe conducted by the Committee of Fifteen, William Edward Bissert received a five years sentence for accepting money from a woman on the East Side named Lena Schmidt. He served part of the sentence, when the verdict was reversed. The Schmidt woman afterward admitted Bissert's innocence.

Capt. Thomas Diamond also was convicted of allowing disorderly resorts to do business in the Red Light district and was fined \$1,000, which he paid and was promptly dismissed from the force by Commissioner Murphy.

Inspector John D. Herlihy was twice tried in General Sessions for the alleged failure to suppress lawbreakers in the Red Light district, but in each case the jury disagreed. The indictment was dismissed and Herlihy was stripped of his uniform and shield. But Commissioner Greene reinstated him and in 1909 he raided Herman Rosenthal's place at 123 Second avenue, Rosenthal being indicted. It cost Herlihy \$50,000 before he got through.

It can be seen therefore that police officials have got into trouble more frequently through failure to close disorderly resorts than for allowing gambling houses to run practically wide open. The many prosecutions of the police have cost hundreds of thousands of dollars, while police officers have had to pay enormous sums to defend themselves successfully.

It is a noteworthy fact that policemen supposed to be rich have gone to the wall, financially, after retirement and their money has been said to have been lost in the stock market. This point is worthy of consideration in view of the repeated assertions that police wealth, accumulated while on duty, has been attributed to successful investments in Wall Street, real estate and, as Inspector Williams once testified, "lots in Japan."

The so-called "System" was not a smoothly running, well oiled machine until the advent of the Van Wyck administration with Bill Devery, pronounced "the best chief of police New York ever had," at the head of the force. It was brought out that thereafter police blackmail became an organized business. The city was divided up into districts and the poolroom industry thrived on a huge scale. There is no question that 100 of these rooms, in addition to many gambling houses, paid tribute to a central body. If you didn't pay the regulation protection fee you were either arrested or raided so often that you had to go out of business.

For several ears the "System" prospered without experiencing any great

in the city rooms, decided to prevent all information from being sent out from the tracks. To accomplish this feat the Pinkertons were instructed to hold back the entries, weights, jockeys and results until a certain time. Even the newspapers were not allowed to wire press reports of the various events until ten minutes after they had been run.

The poolroom men gave battle. They tried various ways to get the desired information outside the tracks so that it could be telephoned to the city rooms. They even erected lofty towers and stationed men with powerful telescopes, but the vigilance of the racetrack detectives was too much for them and hundreds of poolrooms went out of business.

This method prevailed up to the time that racing in this State ended in 1910. Then the poolrooms' worst enemy went out of business and the local betting places began to open up all over town. According to the gamblers, this sudden turn of affairs created a feeling of intense satisfaction among certain members of the Police Department and the old collections were resumed. The change from organized and legalized betting under proper control as provided for by the Percy-Gray law to the present conditions was the beginning of the rise of the shoestring gamblers.

The East Side crapsshooters with whom the high class gamblers and bookmakers refused to associate first branched out with klondike and other cheap forms of gambling. Then they opened poolrooms and hand books, inviting play from people with little money and young men who either earned small wages or refused to work at all. The gambling on the East Side never exceeded the piker's limit. The dollar bettors predominated. The police and politicians preyed on the backers of these games without mercy.

Men who were willing to vote more than once at election or were ready to "kill a guy" if they received enough money had to be taken care of. They declined to work from one election day to another and they made bold threats. So the keepers of poolrooms and the backers of klondike and stuss were notified that these gangsters, idlers and crooks must be put on the payroll.

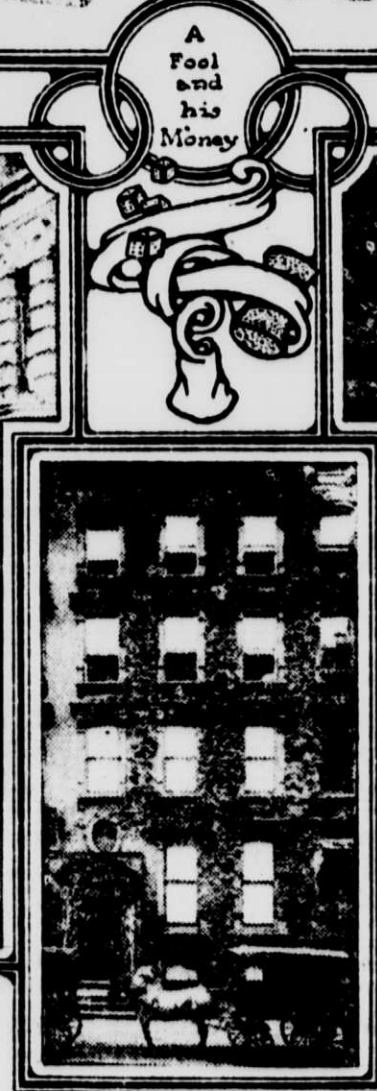
When business was good the pay was \$5 a day, but as the payrolls lengthened this stipend was reduced to \$3, and still they came.

"Either put these men on your pay roll or close up," was the peremptory order which had to be obeyed.

It wasn't long before these cheap gamblers found it impossible to meet expenses. The payrolls and the graft paid to politicians and police ate up all



Block Where, Juss. Games Are Numerous



Canfield's



Interior of an Old Time Jewell Gambling House

command of the old Tenderloin precinct, was under \$15,000 bail on the charge of having extorted \$500 from Agent Forget of the French steamship line. His name had been mentioned in connection with other corrupt transactions, so that his appearance on the witness stand caused sensation.

Schmittberger swore that he had paid to Inspector Williams and others percentages of the blackmail collected by the monthly in five of the six precincts in which he had been in command. Police Commissioner Martin was charged with having ordered him to protect without cost a disorderly house in the Twenty-second precinct and with having transferred him because he had made genuine arrests for violations of the excise law. Commissioner Sheehan was charged by Schmittberger with having tried to induce him to permit a firm of gamblers to open a place in the Twenty-second precinct against explicit orders to the contrary from Sam Byrnes.

Furthermore, Schmittberger charged in general that every captain loved blackmail and divided the spoils with the police inspectors and that promotions in the force were procured only by purchase or through political influence, alleging as an instance that Martens's captaincy, according to general report, had cost him \$10,000. Schmittberger in outlining the blackmail collected testified that pool shops paid \$20 a month for protection, poolrooms \$200, and gambling houses the same and that the rates for dice table houses were \$10, \$25 and \$50.

By this testimony Schmittberger obtained immunity, but for many years he experienced much trouble with Tammany politicians and the rank and file of the department. Finally he came out with flying colors. In 1906 Commissioner Bingham put him on trial for failing to suppress gambling houses in the Tenderloin district, but the charges were not substantiated. Three years later Gen. Bingham made him Chief Inspector, succeeding Moses Cortright, known as the Honest Cop.

When this trial took place Agent Whitney, of the Parkhurst society, an important witness, had disappeared. McLaughlin, husband of another material witness, was found dead in Sixth avenue, but although there were those who believed he had been beaten to death, there was no evidence to prove it. Glennon did not get as far as the doors of the penitentiary for he was released on a certificate of reasonable doubt issued by Supreme Court Justice (now Mayor) Gaynor after his first trial.



Waiting Returns in a Pool Room

amount of trouble. Complaints sent to Police Headquarters were thrown into the waste basket. Devery denied that there was gambling of any kind and defied the reform element to prove it. Still the collections were made and it was said that several millions of dollars were divided before friction ended the great cleanup.

Western gamblers, invited here by influential politicians, were admitted to the gambling circle. Native sons who had been prospering under the rules of the "System" found that they could not compete with the new bankrolls. Crooked gamblers began to operate and soon there was turmoil.

Men who had been ruined by this competition began to talk. Some of them even threatened to squeal, which would mean implicating politicians and police bosses. Public opinion asserted itself in due time and Devery had to go.

As a sample of the amount of graft collected by the System, a well known gambler once asserted fearlessly that one small district, the old Tenderloin, yielded \$10,000 a week, not entirely from gambling but all sources of graft. With the fall of the System there came no legislative investigation, probably because the Lexow and Maset probes, the latter in 1899, had been practically barren of results.

In 1906 the poolroom industry was badly crippled, not because the police wouldn't allow the rooms to run but because of the action of the Jockey Club in control of the big racetracks in the State of New York. The Jockey Club, alarmed at the spreading of betting on the races

the profits. There was only one thing left, crooked gambling.

For a while money was plentiful, but the tolls increased, and then it was that the little gamblers heard of the golden fields uptown. Fourteenth street was invaded by rival cliques. Herman Rosenthal headed one and "Beansy" Rosenfeld led the other. Street fights and bomb throwing followed. Several men were shot down. The police had to do something, so they raided promiscuously. Twenty-four hours after a raid the same rooms would be running full blast.

Meanwhile the big fellows—Honest John Kelly, Lou Luddum, Max Blumenfeld, Bob Davis, Billy Coe, Dave Bucklin, Billy Mackin, John Freeman, Mattie Corbett and others uptown looked on with apprehension. They knew it wouldn't be long before the East Side gang would be invading the sacred precinct north of Forty-second street. But before that invasion was attempted the small fry got a tip from somewhere that they wouldn't be tolerated on Broadway or in its immediate vicinity and that if they disobeyed the order they would be "thrown into the jug." But Rosenthal and Weinberger were permitted to open in Forty-fifth street to save the old guard.

So the shoestring gamblers went up to Harlem. Lenox avenue at 116th street was a magnet for them. Herman Rosenthal opened a house for roulette, faro bank and the ponies, while his rival "Beansy" Rosenfeld began operations close by. A bomb was exploded in front

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